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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

February 27, 2003

Marlene H. Dortch Office of the Secretary Federal Communications Commission 445 12<sup>th</sup> Street. SW Washington. DC 20554

Re: Federal-State Joint Board on Universal Service, CC Docket 96-45; and CC Dockets 98-171, 90-571. 92-237, 99-200, 95-116, 98-170

Dear Ms. Dortch:

The American Association of People with Disabilities (XAPD) appreciates the opportunity to submit comments to the FCC as it considers reforming the contribution methodology for the universal service fund (USF). As the largest national nonprofit cross-disability member organization in the United States, AAPD urges the Commission to consider the potential detrimental impact of proposed changes on low-income and fixed-income consumers, many of whom are people with disabilities.

As Americans with disabilities often live on fixed or limited incomes and arc more likely to be unemployed than Americans without disabilities, we are particularly concerned with the proposal to switch from a revenue-based funding mechanism to a connection-based one. We believe that a connection-based universal service fee would unfairly burden low-income and low-volume (those who make few calls) customers — those intended to benefit from the universal service goals. Under this methodology, customers who make few interstate calls would be assessed the same as customers, including businesses, who make many interstate calls. In other uords, low-volume and primarily residential customers would bear the same universal service fund contribution as a high-volume residential or business customer.

In addition, we are concerned about how this proposed funding mechanism will impact users of pre-paid wireless services. Wireless phones can offer consumers the benefits of safety, security and convenience. However because many people with disabilities live on limited or fixed incomes, they are often unable to qualify for or afford cell phone senice. Pre-paid wireless services provide an option for those who want but couldn't otherwise afford cell phone service. Changing the USF mechanism from revenue-based to connection-based would significantly increase the cost of pre-paid wireless companies' USF contributioiis which would force companies to increase the usage charges for such services. We urge the Commission to ensure that any changes to the USF mechanism do not inadvertently raise the cost of pre-paid wireless service to the detriment of those who need it the most.

Universal service is very important to people with disabilities. It helps ensure the delivery of affordable and accessible telecommunications services to all Americans, including people with disabilities in high-cost areas and on limited incomes, schools, libraries arid rural health providers. AAPD urges the FCC to retain the current system of assessing universal service contributions based on interstate revenues and to ensure that any modifications to that system do not inadvertently harm the very population universal service is intended to help.

Sincercly.

Andrew J. Imparato

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President and CEO

,American Association of People with Disabilities